

Department of Charitable Gaming Guide to Pulltabs Daily

800-729-5672 (toll free)

502-573-5528

www.dcg.ky.gov

License process

- You must have a regular gaming license (you cannot have an exempt license).
- The application (CG-1) must be submitted at least 60 days prior to the anticipated date of gaming.
 - The application must include an original signature of an officer.
 - Applications are available on the website under “Applications and Reports.”
- Your organization qualifies for a license if they:
 - Have a 501(c) 3, 4, 8, 10, or 19 from the IRS or are a common school;
 - Have been continuously operating in Kentucky for 3 years; and have maintained an office in Kentucky for at least 1 year; and
 - Have made reasonable progress before their charitable goal in the last 3 years.
 - Your organization must have had an office in the county in which they wish to game for the last year.
- The application must be accompanied by the \$25 processing fee.
 - The remaining fee will be invoiced at a later date.
 - The fee for a first time application is \$100.
 - For subsequent applications, the fee is based on the previous year’s gross receipts and could be \$100, \$200, or \$300.
- During the review process, an office inspection will be scheduled to verify the information contained in the application.
- While the application is being process, the Department highly recommends that you attend training.
 - Training is available at the Frankfort office and periodically in the state throughout the year. A training schedule is available on the website under “Training and Class Registration.” You can register for training via the Department’s web site as well.
 - There is also a training manual available on the website under “Training and Class Registration.”
 - The statute and regulations governing gaming are located on the website under “Statute and Regulations.”

- Also during the application process, the organization should meet with licensed distributors and discuss what products are appropriate for their game.
 - A list of licensed distributors is available on the website under “Distributors.”
 - You may use as many distributors as you wish.
 - The distributors will carry different product lines.
 - You can also price compare between the product lines they have in common.
- Once the Department reviews the application, it will contact you to correct any deficiencies.
- The Department does a criminal history check on the CEO, CFO, and all chairpersons.
 - If they are out of state, the criminal history check requires that they complete a fingerprint card.
- If your organization qualifies for a license and once any deficiencies are corrected, the Department will invoice the remaining fee and send you fingerprint cards if required.
- The license will be issued when the Department receives the remaining license fee and the fingerprint cards.

Charitable Gaming Accounting

- The organization must set up a charitable gaming account.
 - This is a separate bank account in order to deposit the gaming funds and pay gaming expenses.
 - There are only certain monies that can be deposited into the account and only certain expenses that can be paid from the account. Please make sure that you are familiar with these rules found in the statute and regulations, specifically KRS 238.550(9) and 820 KAR 1:120.
- The organization will need to have initial start-up cash for expenses.
 - The funds can be transferred from general account or another source.
 - The amount needed depends on the kind of gaming conducted.
 - You should ensure that the initial deposit into the account will cover the expenses related to the first couple of sessions.
 - The amount of start up cash withdrawn for each game should cover the anticipated payout.
- Gaming receipts must be kept separate from any other receipts (including bar receipts).

Gaming

- The organization must have a chairperson (person in charge of gaming) on-site during the sale of pull-tabs.
- Appropriate records should be kept as set forth in 820 KAR 1:058 Sec. 1 & 5.
- Pulltabs sales and payouts should be recorded on WS-06 or WS-06A or WS-07, if applicable, which is found on the website under “Session and Event Worksheets.”
- The organization should also complete the “Bingo Session Deposit Reconciliation,” (WS-08) and “Deposit Accountability,” (WS-22) sheets.
- The organization should develop “house rules” to govern how pulltabs are played in the club.
- “Last Sale” pulltabs can only be sold by an organization at its office location and not during a bingo session.

Financial Reporting

- The organization must report to the Department either quarterly or annually for every quarter that the organization possesses a license on CG-FIN which can be found on the website under “Applications and Reports.”
- If the organization has gross receipts of \$200,000 or less per year and does not play bingo once a week, the organization can report annually. The report is due by January 31st.
- The organization will also pay the fee due on gross receipts at this time which is .0649%.